



August 7, 2008

RE: IMPORTANT INFORMATION REGARDING YOUR WATER AND/OR SEWER BILL

As previously announced, our company implemented a new Customer Care and Billing system approximately 60 days ago. There are many enhancements in our new system that will help us better serve our customers:

- Ability for real time dispatching of service requests to reduce service disruption time
- Increased operating efficiency
- Cleaner bill design which includes itemization of billing charges, graphs for consumption and billing history
- Billing more closely linked to the usage period, so customers can change their usage or detect possible leaks earlier

Transitioning to a new billing program requires an extensive amount of planning. Even with all of the planning that went towards the implementation of our new system, we experienced some unforeseen issues and have taken the necessary steps to resolve them. During the past 60 days, some of our customers may have experienced a few issues for which we would like to provide you an update:

- A small number of customers may have experienced a delayed first bill cycle, which then shortened the timeframe for their second bill or were billed for two periods together. ***This issue should be resolved after you have received your first two bills.***
- Some customer bills may have been delayed or not received. ***If any of the system start-up issues have caused a late fee to be assessed to your account, they will be automatically waived. You do not need to call Customer Service to be credited for the late fee; these specific late fees will be credited on an upcoming bill.***
- The initial system conversion has caused a greater number of bills to be estimated during this time and in most cases, *underestimated*. The impact of this is that customers may see a higher subsequent bill when the actual read is taken. ***If you are not on an increasing tiered usage rate, your account will be current after you receive a bill based on an actual reading. You are not being billed for any water you have not used, you are just being billed later for that usage. If you DO have an increasing tiered usage rate and your usage was estimated, Customer Service is reviewing your bill and you will receive an adjustment on an upcoming bill. In either case, no action is required on your part.***

As a result of this change, we temporarily received a higher than usual call volume and longer than desired wait times. We value our relationship we have with each of our customers and I apologize for any inconvenience that this transition period may have caused you. We know your time is important. It is our expectation that our new Customer Care and Billing system will be a vast improvement over our prior system and I welcome feedback from you at president.ccb@uiwater.com. In addition, further information can be found at www.uiwater.com/ccbfaq.php.

As always, we look forward to our continued relationships and providing you with the high level of service you have come to expect from Utilities, Inc.

Sincerely,

A handwritten signature in dark ink, appearing to read "Larry N. Schumacher".

Larry Schumacher
President and CEO

DOCKET NO. 2009-479-WS

LATE FILED HEARING EXHIBIT NO. 34, PART 2

Since June 2, 2008, when UUC's new billing system went into effect, there have been some UUC customers who have received bills for periods in excess of sixty (60) days and who were inadvertently charged a pro-rata amount of the monthly sewer collection charge authorized in Docket No. 2000-210-W/S. This circumstance was exacerbated by delayed receipt of bulk provider bills. The total amount collected from these customers was \$1945.60. Each of these customers has been, or will be on their next billing cycle, issued a credit for the amount of this inadvertent overcharge. The bills will reflect a line item adjustment that states "Base Charge Adjustment for Pro-Rated Catch-Up Bill". The breakdown of customers affected is indicated below.

The following is a summary of the affected customers:

Pro-Ration Bill Dates	Total # of Customers Affected	Total Credit Amount
2008	309	-\$1603.64
2010	201	-\$341.96
TOTAL	510	-\$1945.60